

Service Date: June 25, 1990

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

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IN THE MATTER Of the Application)	UTILITY DIVISION
of U S West Communications for)	
Forbearance of Rate Regulation)	DOCKET NO. 90.6.38
RE: Blue Cross and Blue Shield)	
of Montana.)	ORDER NO. 5482
_____)	

FINAL ORDER

FINDINGS OF FACT

On June 15, 1990, U S West Communications (USWC) filed an application with the Montana Public Service Commission (Commission or MPSC) requesting forbearance of rate regulation for the provision of intraLATA Message Telecommunications Service (MTS) and 800 Wide Area Telecommunications Service (WATS) for Blue Cross and Blue Shield of Montana and its district offices in Great Falls, Billings, Bozeman, Butte, Miles City, and Missoula, Montana, pursuant to Section 69-3-808, MCA.

The Commission approved USWC's last two forbearance applications (Docket Nos. 90.6.34 and 90.6.35) based solely on the contents of the applications. Attached to and referenced in these applications were notarized letters addressed to USWC from the customers for which forbearance was sought. These letters requested proposals for the services for which forbearance was sought in each case. These letters included citations of the service(s) for which requests for proposals have been issued, a list of alternative providers which have submitted bids, and the dates bids were due or received.

Attached to and referenced in the instant application is a letter from Blue Cross and Blue Shield of Montana to USWC requesting a proposal for its long distance and 800 WATS Service, among other services. This letter is dated June 8, 1990. This letter contains information similar to that contained in the letters cited in the applications of Docket Nos. 90.6.34 and 90.6.35. However, this letter is not notarized.

On June 18, 1990, at a duly noticed work session, the Commission GRANTED USWC's forbearance application subject to the Commission's receipt of a notarized letter addressed to USWC from Blue Cross and Blue Shield of Montana stating information similar to that provided in the letters accompanying the applications in Docket Nos. 90.6.34 and 90.6.35.

On June 20, 1990, USWC provided the Commission a notarized copy of the letter cited in Finding of Fact No. 3, above. The Commission finds this letter to satisfy its concerns stated in Finding of Fact No. 4, above, and hereby GRANTS USWC's application.

Although the forbearance statute (Section 69-3-808, MCA) may not permit analysis of the economic merits of USWC's discounted sales prices in considering the forbearance application itself, the Commission intends to analyze the merits of such discount prices in later dockets. There is absolutely no evidence in the instant or past forbearance applications that prices resulting from a negotiated contract or contracts for the services listed herein or in past applications will cover relevant economic costs. Further, no economic costs studies have been accepted by this Commission for USWC's toll services (see Order Nos. 5354d and 5354e, Docket No. 88.1.2). Therefore, USWC is hereby put on notice that to the extent any such sales prices resulting from a negotiated contract for the services listed herein fall below the Commission's estimate of relevant marginal costs, the resulting shortfall shall be borne by USWC shareholders.

CONCLUSIONS OF LAW

1. USWC provides regulated telecommunications services within the state of Montana and is a public utility under the regulatory jurisdiction of the Montana Public Service Commission, Sections 69-3-101 and 69-3-803(3), MCA.

2. The Commission has authority to supervise, regulate and control public utilities. Section 69-3-102, MCA.

3. USWC's application contained the information required by Section 69-3-808, MCA and ARM 38.5.2715.

4. Similar telecommunications service is being offered to the customer by a party other than the Applicant. Section 69-3-808(3), MCA.

ORDER

1. USWC is GRANTED FORBEARANCE of rate regulation with respect to the provision of intraLATA Message Telecommunications Service (MTS) and 800 Wide Area Telecommunications Service (WATS) for Blue Cross and Blue Shield of Montana.

2. This docket is closed.

Done and Dated this 25th day of June, 1990 by a 4 - 0 vote.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

CLYDE JARVIS, Chairman

HOWARD L. ELLIS, Commissioner

DANNY OBERG, Commissioner

JOHN B. DRISCOLL, Commissioner

ATTEST:

Ann Peck
Commission Secretary

(SEAL)

NOTE: Any interested party may request that the Commission reconsider this decision. A motion to reconsider must be filed within ten (10) days. See 38.2.4806, ARM.